

# **FALLS CHURCH CITY-BUSINESS LICENSE INSTRUCTIONS & CATEGORY RATES**

## **PROCEDURES FOR OBTAINING A BUSINESS LICENSE:**

Every person liable for the payment of a business license tax under the provisions of the Falls Church City Code (Chapter 18) shall complete an application in writing to: **The Office of the Commissioner of the Revenue, 300 Park Avenue, Suite #104E, Falls Church, VA 22046-3301 or by fax (703) 248-5212** within **30 days** of opening a business in the City of Falls Church. If you're not sure if your business is located within the Falls Church City limits, **or** if it's in nearby Fairfax County, please call (703) 248-5018 and we can quickly determine where you should apply. Our e-mail address is: **commissioner@fallschurchva.gov**. You can pick up a **business license application form** in person, or request one by fax or mail. You can download a business license application from the City's website at: **www.fallschurchva.gov**, then click on **"Forms, Permits, Applications"** under the **"Online Services"** heading.

You must **first** apply for an **Occupancy Permit** from the City of Falls Church's **Department of Development Services** for **all** commercial **and** residential businesses operating in Falls Church City. Their **phone number is (703) 248-5080** and their fax number is (703) 248-5214. They're located on the **third floor** of the **West Wing** of **City Hall**, 300 Park Avenue, Falls Church, VA 22046-3301.

### **\*FOR NEW BUSINESSES – YOU MUST ESTIMATE YOUR BUSINESS LICENSE GROSS RECEIPTS TAXES FOR THE PARTIAL YEAR IN WHICH YOU OPENED, AND THEN AGAIN FOR YOUR FIRST, FULL CALENDAR YEAR**

For **new** businesses, we will need a **partial-year estimate** of what you estimate your business' gross receipts will be from the time that you open your business until December 31<sup>st</sup> of that year. We realize this can be difficult, but a starting point must be established based on the size and location of the business, experience of similar businesses and other relevant factors. **The Business License Auditor approves this estimate.** When you renew your business license in the following year, we will compare your estimate to your actual gross receipts, and you might be given a credit if your estimate was too high, or you might be billed for the difference if your estimate was too low. We will then need your **first full-calendar year estimate.** When you renew your business license following that year, we will compare your 12 month estimate to your actual gross receipts for 12 months. You may be given a credit if your estimate was too high, or you might be billed for the difference if your estimate was too low. **Every year after that you only pay on your prior year's actual gross receipts.** \*You will not pay **Tangible Personal Property Taxes**, which are taxes on the value of your business equipment, in your **first, partial year**, but you must file an **itemized Tangible Personal Property Return every year after that first year**, and do so by **May 1<sup>st</sup>**, and you need to pay the **Tangible Personal Property Tax by the October 5<sup>th</sup> deadline.**

**IMPORTANT:** Failure to pay business license taxes carries criminal penalties!

## **FALLS CHURCH CITY BUSINESS LICENSE TAXES AND FEES**

### **TOTAL GROSS RECEIPTS INCLUDES RECEIPTS FROM ALL SOURCES SUBJECT TO THIS TAX**

Total Gross Receipts of <b><u>\$10,000 or less</u></b>	<b>No payment required</b> , but you must apply/renew for a business license stating your actual gross receipts <b>every year</b> .	
Total Gross Receipts of <b><u>\$10,001 - \$50,000</u></b>	<b>\$30.00 flat rate applies</b> . The \$30 fee is not refundable.	
Total Gross Receipts of <b><u>\$50,001 or more</u></b> is taxed at the following rates: (Don't break out the first \$50,000 and multiply separately) Multiply the <b>total</b> gross receipts <b>category dollar amount</b> times your <b>category rate</b> to determine your <b>total</b> business license tax.		
<b><u>Category Number</u></b>	<b><u>Category Descriptions</u></b>	<b><u>Category Rate (multiply times your gross receipts, before costs)</u></b>
120301	Contractors	\$0.0016 times your gross receipts amount
120302	Retail Merchants	\$0.0019 times your gross receipts amount (*always use the Falls Church City FIPS code # 51610 on the VA Sales Tax ST-9 form)
120303	Professional Occupations	\$0.0052 times your gross receipts amount
120304	Service Occupations & Commission Merchants	\$0.0036 times your gross receipts amount
120305	Wholesale Merchants (who take title)	\$0.0008 times your gross receipts amount
120307C	Renting by Owner-Commercial	\$0.0053 times your gross receipts amount
120307R	Renting by Owner-Residential	\$0.0038 times your gross receipts amount
120308	Public Utilities	½ of 1% of gross receipts for gas, telephone & electricity
120309	Specialized Occupations	\$0.0036 times your gross receipts amount
120306	Alcoholic Beverage Fees	Beer “ <b>On</b> ” site sales: flat rate \$75.00 Beer “ <b>Off</b> ” sales: rate \$50.00 <b>Mixed Alcoholic Beverages:</b> Restaurant seating up to <b>100</b> people \$200.00 flat rate Restaurant seating up to <b>101-150</b> people \$350.00 flat rate Restaurant seating of <b>151 or more</b> people \$500.00 flat rate Each banquet \$5.00 flat rate Caterer \$200.00 flat rate
120399 – Amusement Arcade Operator	In addition to the gross receipts tax, there is a flat fee for: The operation of <b>1-2</b> arcade machines \$50.00 The operation of <b>3-9</b> arcade machines \$100.00 The operation of <b>10 or more</b> arcade machines \$200.00	
120399 - Other	For additional information about rates, and any questions about calculating business license fees call: (703) 248-5190 or E-mail us at: commissioner@fallschurchva.gov	

**All** business licenses expire on December 31 of each year. **Business owners are given a two-month grace period (during January & February)** to close your books for the year and renew your license by March 1. Businesses that don't have their business license paid by March 1st, will be operating without a license.